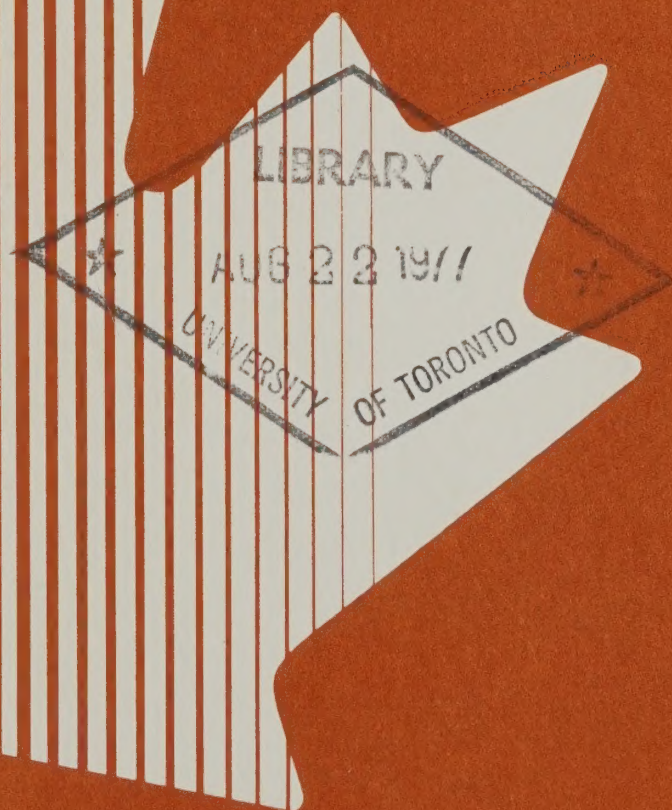



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Canada's Grain



Reference Paper 19



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Canada's Grain

(Revised March 1977)

Prepared in the Market Operations Division, Grain Marketing
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Canada is among the world's largest producers of grain. In 1976, production of the six major grains (wheat, barley, oats, rapeseed, rye and flaxseed) totalled 1,734 million bushels (40.6 million tonnes). Grain for export is produced mainly in the Prairie Provinces (Saskatchewan, Alberta and Manitoba), which are ideally suited to the efficient production of bread grains, feed grains and oilseeds. Canada is the world's second-largest grain exporter.

There are about 86 million acres (35 million hectares) of cultivated land in the Prairie Provinces. In recent years, about 23 million acres (9 million hectares) have been planted to wheat and 11 million acres (4 million hectares) to barley. There have also been about 28 million acres (11 million hectares) of summer fallow and 13 million acres (5 million hectares) in tame hay or pasture.

Each year, before seeding, the Federal Government announces the guaranteed initial payment for wheat, oats and barley, and minimum delivery quotas for all grains for the coming crop year, in order to provide producers with the best available marketing information on which to plan their seeding for the season. (See Appendix I.)

Marketing

The Canadian Wheat Board is the sole agency responsible for marketing Prairie wheat, barley and oats abroad, on behalf of the producers in the Prairie Provinces. Sales may be negotiated directly by the Wheat Board or by the private grain trade acting for the Board. The grain-handling and grain-exporting companies are, however, involved in all sales of grain, as the Board does not own any grain-handling, storage or transportation facilities. Rapeseed, rye, flaxseed, buckwheat and mustard are marketed by the private grain trade. In recent years, Canada has been the world's largest exporter of barley, rapeseed, flaxseed and mustard seed. About 20 million bushels (500,000 tonnes) of winter wheat grown annually in Ontario are marketed by the Ontario Wheat Producers Marketing Board and by the private trade. In the 1975/76 crop year, exports of grain and grain products totalled about 730 million bushels (18.2 million

tonnes). This total included 450 million bushels (12.2 million tonnes) of wheat and flour, about 190 million bushels (4.3 million tonnes) of barley and 30 million bushels (0.8 million tonnes) of rapeseed. (See Appendix II.)

The initial payments on the basic grades of wheat, oats and barley delivered to the Wheat Board during the crop year are guaranteed by the Federal Government. For example, the initial payment for wheat delivered during 1976/77 is \$3.00 a bushel for No. 1 Canada Western Red Spring, basis "in-store" Thunder Bay or Vancouver. When the grain delivered during the crop year has been marketed by the Board, profits are distributed on the basis of the types and grades of grain delivered by each producer.

The flow of grain from the farm to country elevators is regulated by a delivery-quota system that enables the Board to call for delivery of the kinds and grades of grain required to meet market commitments and, at the same time, to allocate delivery opportunities as equitably as possible among all grain-producers.

Transportation

The producer delivers his grain, generally by truck, to a country elevator at one of the approximately 1,500 delivery-points throughout the Prairies. The grain is then loaded into railway cars for shipment to terminal elevators on the West Coast, at Thunder Bay, Ontario, at the St. Lawrence ports and at Churchill, Manitoba. Grain moves directly overseas from the West Coast and Churchill; while some direct shipments overseas have also been made from Thunder Bay, the bulk of the Eastern movement is by lake vessel to the St. Lawrence export ports of Montreal, Sorel, Trois Rivières, Quebec, Port Cartier and Baie Comeau. Grain is also moved from Thunder Bay to Georgian Bay ports and forwarded by rail to the Atlantic ports of Saint John, New Brunswick, and Halifax, Nova Scotia, during the winter, when the Great Lakes are closed to navigation.

In 1975/76, there were bulk-grain export shipments of 260 million bushels (6,500,000 tonnes) from the West Coast and 328 million bushels (8,400,000 tonnes) from St. Lawrence ports. The export movements from Churchill, directly overseas from Thunder Bay, and from the Maritime Provinces totalled about 100 million bushels (1,900,000 tonnes).

Storage

Canada's licensed grain-storage facilities had a total capacity at August 1, 1976, of 626 million bushels (17.5 million tonnes). The bulk of the storage space was in the 3,964 country elevators, which had a capacity of 344 million bushels (9.6 million tonnes). The 28 terminal elevators, mainly at Thunder Bay, the West Coast ports and Churchill, had a capacity of 139 million bushels (3.9 million tonnes), while 28 transfer elevators at Great Lakes ports and export ports on the St. Lawrence and in the Maritimes had a capacity of 122 million bushels (3.4 million tonnes). Another 31 elevators, with a capacity of 21 million bushels (0.6 million tonnes), were used to store grain prior to its processing.

Regulation

The Canadian Grain Commission is responsible for regulating all phases of grain-handling in Canada, including the inspection, grading and weighing of grain, the maintenance of statistical and research facilities, and the constitution of the Grain Standards Committees, which establish the standards for the various grades of grain.

The Grain Research Laboratory of the Commission conducts surveys and publishes information each year on the protein content of the wheat crop. It also conducts baking tests with flour milled from Canadian wheat and issues a report on the baking quality of the Prairie wheat crops. The reputation that Canadian grain has long enjoyed in world markets is due in large part to the rigid controls exercised by the Commission.

Training and development facilities

The Canadian International Grains Institute was established in Winnipeg in 1971 by the Canadian Wheat Board and the Canadian Grain Commission, in co-operation with the Federal Government. The object of the Institute is to provide a better understanding of the world grain industry and thereby contribute to the maintenance and enlargement of markets for Canadian grains and oilseeds and their products. The three main areas of study are grain-handling and transportation, marketing and technology. Courses on the international grain industry, usually of five weeks duration twice annually, involve participants from many countries besides Canada. Those

selected to attend are generally involved in the decision-making process of buying or utilizing grain. The Institute also offers special courses in the technological aspects of the industry, conducts overseas seminars and arranges study tours in Canada.

Industry co-ordination

The Canada Grains Council was established in 1969, primarily to improve co-ordination within the industry and to assist in reaching consensus on recommendations to government. The administrative costs of the Council are shared by government and industry members. Membership in the Council is "open to all non-governmental organizations and associations whose members are directly engaged in the production, handling, transportation or marketing of grain and grain products". The Council-at-large meets semi-annually and the Board of Directors meets about ten times a year. The Council is served by a small secretariat.

The Council has demonstrated the capacity of the various components of the industry to work together on matters of mutual interest. It has made several recommendations to government on issues referred to it by government or on studies the Council itself has initiated.

Reference material

Further information on Canada's grain can be found in: the *Annual Report of the Canadian Wheat Board*; the *Canadian Grain Handbook*, which has information on the Wheat Board and its agents, conversion-tables and descriptions of Canadian grain grades; and the pamphlet *About the Canadian Wheat Board*, which explains the Board's role in grain-marketing. These publications are available from the Information Department of the Canadian Wheat Board or the Grain Marketing Office of the Department of Industry, Trade and Commerce. A statistical booklet entitled *Canadian Grain Exports* is published each crop year by the Canadian Grain Commission. The Canada Grains Council publishes a statistical handbook each year on all aspects of the Canadian grain industry, including historical data.

Land-use — Prairie Provinces

('000 acres)

Year	Wheat	Oats for grain	Barley for grain	Rye	Flaxseed	Rapeseed	Other crops, tame hay and pasture	Summer fallow	Total
1972	20,800	4,660	11,900	582	1,320	3,270	14,056	29,000	85,588
1973	23,100	5,300	11,350	582	1,450	3,150	14,409	26,500	85,841
1974	21,500	4,800	11,200	792	1,450	3,100	14,922	27,900	85,664
1975	22,800	4,650	10,400	727	1,400	4,250	14,467	27,700	86,394
1976	26,800	4,900	10,050	752	875	1,950	14,409	27,300	87,036

('000 hectares)

1972	8,421	1,887	4,818	236	534	1,324	5,691	11,741	34,652
1973	9,352	2,146	4,595	236	587	1,275	5,833	10,729	34,753
1974	8,704	1,943	4,534	321	587	1,255	6,042	11,296	34,682
1975	9,231	1,883	4,211	294	567	1,721	5,857	11,215	34,979
1976	10,850	1,984	4,069	304	354	789	5,833	11,053	35,236

Source: Statistics Canada

Exports of Canadian Grain and Grain Products

(million bushels)

Crop year	Wheat	Barley and barley products			Oats and oats products			Total
		Wheat flour		Rapeseed	Flaxseed		Rye	
1971-72	479.1	24.7	230.5	42.6	25.7	10.5	10.8	823.9
1972-73	553.2	23.4	165.2	54.1	19.6	6.9	8.2	830.6
1973-74	400.6	19.2	127.5	39.2	15.5	0.8	4.6	607.4
1974-75	375.9	18.7	138.4	26.1	10.5	1.4	4.8	575.8
1975-76	427.6	22.6	199.4	30.1	7.7	18.2	11.8	717.4

(thousands of tonnes)

1971-72	13,047	673	5,020	966	692	161	273	20,832
1972-73	15,057	636	3,598	1,226	529	107	209	21,362
1973-74	10,902	512	2,776	889	400	13	116	15,608
1974-75	10,229	509	3,013	664	273	22	123	14,833
1975-76	11,637	616	4,341	683	195	281	299	18,052

Source: Statistics Canada.



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